

1/9/42 (Item 42 from file: 275)  
DIALOG(R)File 275:Gale Group Computer DB(TM)  
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02321123 SUPPLIER NUMBER: 55406340 (THIS IS THE FULL TEXT)  
FDA To Search For Unscrupulous Net Pharmacies 08/09/99.  
Woods, Bob  
Newsbytes PM, NA  
August 9, 1999  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 456 LINE COUNT: 00041

TEXT:

WASHINGTON, DC, U.S.A., 1999 AUG 9 (NB) -- By Bob Woods, Newsbytes.  
The Food and Drug Administration (FDA) will soon purchase advanced Web crawling systems that will help it ferret out Websites illegitimately selling prescriptions to people who do not necessarily need the drugs or who do not have prescriptions, an FDA source told Newsbytes. The action comes after, but not as a direct result of, testimony heard late last month in regards to such Internet drug operations.

The \$100,000 Internet tool package will be purchased soon, the source also said. While a start date has not been set for the Net crawls, the source said the searches should begin "very soon."

While detailed information on the new system was not immediately available, the "very sophisticated" Web crawlers use advanced search techniques to ferret out information and perform analyses of such Websites, the source added.

The FDA now appears to be taking the lead on an issue where the jurisdictional lines are not clear. During a House Oversight and Investigations Subcommittee hearing last July 30, Federal Trade Commission (FTC) Bureau of Consumer Protection Director Jodie Bernstein said exactly which agency or agencies having the legal ability to police this activity is unclear. Agencies that could have jurisdiction include the FTC, the FDA, US Customs and the Justice Department's Drug Enforcement Administration (DEA).

Rep. Bart Stupak, D-Mich., suggesting during the hearing that the administration panelists had been essentially whistling in the dark when it comes to rogue online pharmacies delivering both legal and illegal drugs without any patient evaluation.

The FTC has said it wants Congress to draft legislation to set a federal standard for licensing the booming business of online pharmacies. The Justice Department and FDA split from this opinion, arguing instead for using existing law and cooperative agreements with state attorneys general.

But as confusion swirled around the issue last month broadcast reporters from Michigan and Pennsylvania showed how children, dead people, people with heart problems and cats all could successfully get Viagra sent to them in the mail from some online pharmacies.

Several witnesses testified that although problems exist with insuring the legality of some Websites and the authenticity of the drugs they sell, it would be a mistake to ban online pharmaceutical sales altogether.

Drugstore.com CEO Peter Neupert, defending online pharmacies, said that "Like community and mail-order pharmacies, our customers must have a prescription from their doctor - we do not prescribe medications."

Reported By Newsbytes.com, <http://www.newsbytes.com>.

(19990809/Press Contact: Food and Drug Administration, Press Office,

301-827-6242 /WIRES ONLINE, PC, BUSINESS, LEGAL/)  
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GEOGRAPHIC CODES/NAMES: 1USA United States

EVENT CODES/NAMES: 360 Services information;930 Government regulation;980  
Legal issues & crime

PRODUCT/INDUSTRY NAMES: 4811520 (Online Services)

NAICS CODES: 514191 On-Line Information Services

1/9/43 (Item 43 from file: 275)  
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02318165 SUPPLIER NUMBER: 55312681 (THIS IS THE FULL TEXT)  
House Subcommittee To Hear About Internet Drugstores 07/29/99 >BY Bob  
Woods.  
Newsbytes, NA  
July 29, 1999  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 311 LINE COUNT: 00029

TEXT:

WASHINGTON, DC, U.S.A., 1999 JUL 29 (NB) - With the emergence of Internet-based drugstores selling "lifestyle drugs" like Viagra to Netizens on the basis of questionnaires or other non-physical exams, the chance of people getting hurt from these drugs is increased. The House Commerce Committee's Subcommittee on Oversight and Investigations will hear about the negatives - and positives - of such operations at a hearing on Friday.

Those who use these drugstores, as well as those who run them, will testify at the hearing, said David Woodruff, press secretary to Rep. Fred Upton, R-Mich., who chairs the subcommittee. Federal agency and state officials, health care officials and even journalists will also testify, he told Newsbytes.

"We have seen companies that, to get a Viagra prescription, all one needs to do is fill out a form with their personal information," Woodruff said, "and the Viagra is then on the way."

One of the witnesses, reporter Christine Behrens at WWMT-TV in Kalamazoo, will show her recent investigative report that resulted in her dog obtaining a Viagra prescription from one of these online pharmacies. Woodruff even said that, during the medical screening process, Behrens used the term "neutered" to describe her canine "applicant." While that should have "set off bells with the pharmacy," Woodruff said, the prescription was filled anyway.

Woodruff stated that Internet pharmacies do have advantages, especially to those who can't easily get to a real-world pharmacy because of age, physical condition, or rural location.

But overall, "we hope to shed some light on the issue," Woodruff added.

The hearing, entitled "Drugstores on the Net: The Benefits and Risks of Online Pharmacies," will be held Friday morning.

Reported By Newsbytes.com, <http://www.newsbytes.com>  
(19990729/Press Contact: David Woodruff, Office of Rep. Fred Upton,  
202-225-3761/WIRES ONLINE, PC, BUSINESS, LEGAL/)

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GEOGRAPHIC CODES/NAMES: 1USA United States  
EVENT CODES/NAMES: 940 Government regulation (cont)  
PRODUCT/INDUSTRY NAMES: 4811524 (Teleshopping Services); 5912000 (Drug Stores)  
NAICS CODES: 514199 All Other Information Services; 44611 Pharmacies and Drug Stores  
FILE SEGMENT: NW File 649

1/9/44 (Item 44 from file: 275)  
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02314978 SUPPLIER NUMBER: 55241889 (THIS IS THE FULL TEXT)  
CBS Buys 20 Percent Of New Online Pharmacy Rx.com 07/22/99.  
Newsbytes PM, NA  
July 22, 1999  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 380 LINE COUNT: 00034

TEXT:

NEW YORK, NEW YORK, 1999 JUL 22 (NB) -- By Laura Randall, Newsbytes. CBS Corp. (NYSE:CBS) added another feather to its well-publicized Internet cap today with its purchase of a 20 percent stake in online pharmacy Rx.com. In exchange, privately held Rx.com gets \$37.5 million in advertising and promotional space on CBS media properties over the next four years.

The deal with Rx.com is the second health-related purchase in less than a month for CBS, which acquired a 35 percent stake in online health information provider Medscape Inc. for \$150 million in early July. (See Newsbytes, July 8, 1999)

The deal marks the first partnership for Rx.com, which opened its Web doors in June, says Rachel Lee, Rx.com's director of communications. The company currently sells over-the-counter health and "wellness" products on its site and plans to begin selling prescription medication online in September, Lee told Newsbytes.

Under the terms of the agreement, CBS will acquire a 20 percent equity stake in Austin, Texas-based Rx.com, as well as the option to purchase an additional 700,000 shares of the company's stock. A CBS representative will also join Rx.com's board of directors as part of deal.

Rx.com, on the other hand, receives access to CBS's media muscle with advertising and promotion campaigns on its radio, television and billboard businesses. "Our main focus in this (arrangement) is the ability and opportunity to advertise off-line," Rx.com's Lee told Newsbytes.

Rx.com's target customers are the 55-and-up crowd, who tend to pay for their medications with cash, and aging "baby boomers," who prefer self-medication to reliance on doctors, Lee said.

The partnership with Rx.com is about the tenth Internet-related deal in which CBS swaps advertising benefits for ownership, CBS spokesman Gil Schwartz said. CBS has also recently taken equity-for-promotion stakes in Medscape, MarketWatch.com, SportsLine USA, Banyan Systems Inc.'s Switchboard.com, WinStar Communications Inc.'s Office.com, Big Entertainment's Hollywood.com and ThirdAge Media Inc.

Rx.com was founded in 1998 and operates out of a 90,000-square-foot facility in Austin, Texas.

Reported by Newsbytes.com, <http://www.newsbytes.com>  
(19990722/Press Contacts: Gil Schwartz, CBS, 212-975-2121; Rachel Lee, Rx.com, 512-652-1263/WIRES ONLINE, BUSINESS/CBS/PHOTO)  
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COMPANY NAMES: CBS Corp.; Rx.com  
GEOGRAPHIC CODES/NAMES: 1USA United States  
EVENT CODES/NAMES: 150 Acquisitions & mergers;160 Asset sales & divestitures  
PRODUCT/INDUSTRY NAMES: 4830000 (Broadcasting); 5961000 (Mail Order)

Houses); 4811500 (Specialized Telecommunication Services  
NAICS CODES: 5131 Radio and Television Broadcasting; 45411 Electronic  
Shopping and Mail-Order Houses; 51331 Wired Telecommunications  
Carriers

1/9/45 (Item 45 from file: 275)  
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02273145 SUPPLIER NUMBER: 53965496 (THIS IS THE FULL TEXT)  
\*\*\*\*Amazon.com Buys Chunk Of Drugstore.com As Service Opens 02/25/99.  
Newsbytes, NA  
Feb 25, 1999  
LANGUAGE: English RECORD TYPE: Fulltext  
WORD COUNT: 676 LINE COUNT: 00059

TEXT:

REDMOND, WASHINGTON, U.S.A., 1999 FEB 25 (NB) -- By Bob Woods, Newsbytes. As Internet start-up drugstore.com goes live today, it has already gained a partner that carries a huge name in Internet e-commerce: Amazon.com Inc. (NASDAQ:AMZN). Investors seem to like the news: Amazon.com shares were up \$9 or 8.1 percent to \$119.938 in early-morning trading today. After Wednesday's closing bell, Amazon.com said it had purchased a 46 percent equity stake in the Internet's newest drugstore. Company officials declined to say exactly how much money they pumped into the new Net store. Amazon.com also said it would "help introduce customers to the new shopping experience at drugstore.com as part of a strategic alliance." While officials did not detail the alliance in a statement released late Wednesday, a link proclaiming "Our partner drugstore.com is now open!" now appears at the Amazon.com Web site. For Amazon.com, the drugstore.com buy adds to an expanding product line that started with just books and now includes CDs, toys and gifts, and DVDs and videos. Drugstore.com, meantime, gains support from the company widely believed to be the "best thing" in Internet commerce. The new company also obtains Internet experience in the deal, as Amazon.com founder and chief executive officer (CEO) Jeff Bezos will serve on the drugstore.com board of directors. The start-up already had some major "names" behind it even before the Amazon.com deal. Company President and Chief Executive Officer (CEO) Peter Neupert, used to be a top executive at Microsoft. And Liberty Media and Silicon Valley venture capital phenom Kleiner Perkins Caufield and Byers hold stakes in the company. Now drugstore.com needs customers, and the concept of not going into a drugstore to buy drugs seems to appeal to Americans, who bought \$13.8 billion in prescriptions through mail-order operations in 1998, according to the National Association of Chain Drugstores. Mail-order prescriptions made up about 13.4 percent of all prescription sales, which totaled around \$102 billion in 1998, the association also said at an early December 1998 press conference. And drugstore.com is designed to deliver to that market with more than 15,000 brand-name personal healthcare products. Besides a complete, licensed online pharmacy, drugstore.com goes beyond what normal retailers generally offer: personal shopping lists, e-mail reminders for refills, and private e-mail access to pharmacists and beauty experts for questions, among other features. "Going to a brick and mortar drugstore can be a frustrating experience for lots of different reasons: waiting, lack of selection, lack of personal assistance and so on," Neupert said in a statement. "We are going to raise the bar for customers' expectations in the drugstore space by offering broad and deep variety, easy and convenient shopping, objective product information that isn't sponsored, quick personal service and complete privacy." Customers' possible privacy concerns are also addressed, as secure server technology is used to send, receive and store customer information, company officials said. Drugstore.com also said it has a strict policy against sharing or

selling personal data. Luddites and those without Internet access can use a toll-free number (800-drugstore) to use the new service. Drugstore.com, though, is facing a similar situation as Amazon.com sees: an increasingly competitive marketplace. Soma opened its own drugstore on the Internet last month, and PlanetRx is scheduled to soon start its own offering. To counteract its current and new adversaries, drugstore.com has signed a slew of relationships with Internet players like Amazon.com, Excite and Yahoo. The company is also affiliating with OnHealth, a health information network primarily targeted at adult women, as well as with Women.com and Intellihealth. Reported By Newsbytes News Network, <http://www.newsbytes.com>. (19990225/Press Contacts: Debby Fry Wilson, drugstore.com, 425-586-2198; Lauren Leff or Lloyd Trufelman, Trylon Communications, 212-725-2295; Kay Dangaard, Amazon.com, 206-834-7180 /WIRES ONLINE, PC, BUSINESS/DRUGSTORE/PHOTO

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COMPANY NAMES: Amazon.com Inc.

GEOGRAPHIC CODES/NAMES: 1USA United States

EVENT CODES/NAMES: 830 Sales, profits & dividends

PRODUCT/INDUSTRY NAMES: 4811520 (Online Services); 5961000 (Mail Order Houses)

SIC CODES: 4822 Telegraph & other communications; 5961 Catalog and mail-order houses

NAICS CODES: 514191 On-Line Information Services; 45411 Electronic Shopping and Mail-Order Houses

FILE SEGMENT: NW File 649

?begin 768,759,753

13aug01 08:15:58 User219455 Session D780.4

\$1.61 0.299 DialUnits File275  
\$13.00 4 Type(s) in Format 9  
\$8.60 4 Type(s) in Format 2 (UDF)  
\$0.00 45 Type(s) in Format 6 (UDF)  
\$21.60 53 Types  
\$23.21 Estimated cost File275  
\$0.52 0.102 DialUnits File647  
\$16.20 6 Type(s) in Format 2 (UDF)  
\$16.20 6 Types  
\$16.72 Estimated cost File647  
\$2.40 0.506 DialUnits File349  
\$0.00 6 Type(s) in Format 6 (UDF)  
\$0.00 6 Types  
\$2.40 Estimated cost File349  
OneSearch, 3 files, 0.906 DialUnits FileOS  
\$0.25 TYMNET  
\$42.58 Estimated cost this search  
\$56.03 Estimated total session cost 6.740 DialUnits

SYSTEM:OS - DIALOG OneSearch

File 768:EIU Market Research 2001/Aug 01

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\*File 768: KWIC costs \$3.30 in File 768.

File 759:Reuters Business Insight 1992-2001/Aug

(c) 2001 Datamonitor

File 753:IBISWorld Market Research 2000-2001/Aug W1

(c) 2001 IBIS Bus Info Ltd

Set Items Description

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?s (online (w) (pharmacy or pharmacies)) and prescription? and (order or process? or billing?)

1377 ONLINE

336 PHARMACY

354 PHARMACIES

32 ONLINE(W) (PHARMACY OR PHARMACIES)

851 PRESCRIPTION?

8684 ORDER

13316 PROCESS?

690 BILLING?

S1 16 (ONLINE (W) (PHARMACY OR PHARMACIES)) AND PRESCRIPTION?  
AND (ORDER OR PROCESS? OR BILLING?)

?t 1/2,ab,kwic/1-16

>>>No matching display code(s) found in file(s): 753, 759, 768

1/2,AB,KWIC/1 (Item 1 from file: 768)

DIALOG(R)File 768:EIU Market Research

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00042425

PROFILE: AN UPHILL STRUGGLE FOR MANAGED CARE IN EUROPE (2 OF 5)



Main Title: HEALT CARE EUROPE 3RD QTR 1999

Pub. Date: AUGUST 1999

Source: THE ECONOMIST INTELLIGENCE UNIT LIMITED

Telephone: (212) 554-0600

Word Count: 836 (1 pp.)

Language: English

Country: EUROPE

Industry: HEALTH CARE

Company Names (DIALOG Generated): Bristol Myers Squibb ; BAK ; Diversified  
Pharmaceutical ; Express Scripts ; PCS ; SmithKline Beecham

Slow-going in mail order and PBM

The delivery of prescription medicines by post is a cornerstone of US managed care, where it accounts for a...

...by 19% compared with 1997. Leading

US drug companies have become increasingly reliant on mail order to distribute their medicines. In 1998 Bristol-Myers Squibb saw mail-order sales of its products hit \$621m, up by 22% on the previous year. On the...

...side of the Atlantic however, the market is virtually non-existent.

Efforts to launch mail-order pharmacies have come to little-

Just four years ago there were efforts to launch mail-order pharmacies in almost every European country as entrepreneurs saw the chance to make a profit...

...infamous closure of Caremark in 1998, which pioneered the service in the Netherlands, ("Regulation-mail-order pharmacy in the Netherlands", Healthcare international), 4th quarter 1998. did people accept that mail order was simply not going happen in Europe. The only success stories have been a ...in remote areas of northern Scandinavia.

-as volumes of business have proved insufficient

A mail-order system could only make significant inroads if the volume of prescriptions is sufficient. It has not been. Opposition from pharmacists has been intense, not surprisingly as over 80% of all prescription medicines in the seven major European markets pass through community pharmacies; the remainder is mainly...

...approved schemes.

Although European law has been ambivalent, with little to prevent or encourage mail order, the regulatory regimes of most countries have not favoured it (see Table 4.2). Germany...BAK.

The future may lie in e-pharmacy

Ironically, entrepreneurs, after failing to establish mail order a few years ago, are back with a new approach, the Internet. As the public...

...the most publicised examples-from numerous sites on the world wide web. In the

US online pharmacies are booming. Europe is just beginning to see the emergence of e-pharmacies--there are...

...be a matter of time before computer-literate patients start to bypass the pharmacy and order their medicines down the telephone wire, whether the practice is legal or not. Technological barriers...

...level, catch up with the fast-paced world of cyber-healthcare.

In the US, mail order goes hand-in-glove with pharmacy benefit management (PBM)-third-party administration (TPA) of pharmacy

1/2,AB,KWIC/2 (Item 2 from file: 768)  
DIALOG(R)File 768:EIU Market Research  
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00037266

DRUGS, PATIENTS/INTERNET: RX GOES TO CYBERSPACE

Main Title: HEALTHCARE INTERNATIONAL - 2ND QTR 1999  
Pub. Date: JUNE 1999  
Source: THE ECONOMIST INTELLIGENCE UNIT LIMITED  
Telephone: (212) 554-0600  
Word Count: 828 (1 pp.)  
Language: English

Country: WORLD  
Industry: HEALTH CARE  
Company Names (DIALOG Generated): Drugstore ; Forrester Research ;  
Microsoft

...their attention to pharmacies, promising to transform the way drugs are sold in the US.

Online pharmacies such as Soma.com, planetRx and, most recently, Drugstore.com are jockeying for a position in the \$150bn prescription and over-the-counter drug and sundries market. Run by managers that are seasoned in...

...brainchild of former Microsoft vice-president Peter Neupert, the website now carries 17,000 non-prescription drugs and 3,000 prescription drugs, in addition to sundries such as toothpaste, shaving cream and lipstick. The ...drug issues, although also to act as marketing tools. With some similarity to a mail-order pharmacy, Drugstore is capable of filling prescriptions by fax or by direct communication with the patient's doctor, and can turn a prescription round within three to five days. While that leaves out emergency prescriptions, the service is an option for the two-thirds of prescriptions that are for chronic ailments and refills.

Drugstore's major advantage is its connection to...that they might be embarrassed by peers or sales staff. Drugstore hopes that in the process of saving themselves from feeling

embarrassed at the nature of their purchases, customers will take...

...such as shaving foam or hair spray,  
to their electronic shopping carts.

In anticipation of prescription sales that are set to grow only slowly, Drugstore is counting on making money with Drugstore's sales, the volume of prescription drugs has turned out to be considerably higher than the organisation originally expected, according to...

...ensuring a continued ability  
to supply orders, Drugstore has gone into partnership with a mail-order pharmacy, RxAmerica, which handles more than 25,000 weekly orders.

Despite making considerable in-house efforts to refine and improve activities, Drugstore.com, like all online pharmacies, is counting on the growth of the Internet to supply the biggest boost. Observers predict...

...drugs to grow  
from \$213m in 1998 to \$6bn in 2002. Forrester specialists predict that online pharmacies could gain over 5% of the global retail drug market.

These predictions notwithstanding, one of the biggest hurdles that all online pharmacies face is the

1/2,AB,KWIC/3 (Item 1 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103340

HEALTHCARE: 6.11 PRODUCTS AND SERVICES

Main Title: Best Practice - Online Marketing and Branding

Pub. Date: January 03, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1589 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Mayo Clinic ; New Business Development ;  
OTC ; Should Walgreens ; Walgreens

A complete Walgreens pharmacy online

Walgreens' approach to developing its online pharmacy has been to ensure that all products and services that can be done in a...

...end, Walgreens has developed a 'three leg strategy' for the functions on its site:

Product: prescription filling and everything involved in the pharmacy business, including functionality, ease of use, speed of visit, etc. ;  
services: allowing customers to view their prescription history, to consult a pharmacist, and to set email reminders to have sent to themselves  
...

...pharmacies.

Therefore, Walgreens has moved beyond basic pharmacy services to provide features such as viewable prescription histories, personal account details (see below) and a health information library provided by the Mayo ...

...cost will not be affected by buying drugs at cheaper prices. Therefore, the price of prescription drugs on or offline makes no difference to the customer. Indeed, it is illegal for...

...of writing, Walgreens was not willing to comment on the online prices of its non-prescription products, as its online drugstore had not been launched. However, Walgreens pointed out that it...

...consists of three discrete areas defined by tabs at the top of the page: the online pharmacy, the health library, and the corporate information area. The drugstore area is expected to be...

...enthraling sophistication

For companies trying to build an online community and invoke consumer interest in order to create or drive demand for their products, a simplistic structure would be ineffective. A...

...seeking and that a purchase of medicinal product will occur. In the case of a prescription medicine, the choice of product has been made by the consumer's physician; in the...

...the quick and easy site structure that Walgreens has employed is very appropriate for their online pharmacy section. The information area of the website functions in much the same fashion. Although there...guide to health. This reaffirms the quick and easy image of the site.

While other online pharmacy sites and drugstores will attempt to generate sales through higher traffic flow and 'sticky' features...

...become familiar with the site and then make the decisions. While this may work for online pharmacies, which are essentially functional sites, Walgreens may struggle on its drugstore section when it comes...

...present eCommerce initiatives.

User profiling

Consumer research driving site development

Walgreens started its website development process by examining what features and sites were already available online.

'When we first started the process of developing our website, we obviously looked at what people had done, what was out...

...not only to members of its existing customer base, but also targeted new customers in order to find out how to attract them to Walgreens through the new online offering. While...

...assessment and development as crucial to remaining competitive within this marketplace. However, Walgreens, like other online pharmacies, is restricted as to how they can use the data from visitors to the site...

...laws governing data use, but companies go to great lengths to publicize this aspect in order to assure customers that information is secure and will not be used for any other...

...online traffic and suggests that Walgreens should continue to develop its customer feedback centers in order to follow customer opinion closely and therefore be able to act immediately to improve services.

#### Personal profiles

However, despite the restrictions on data use, Walgreens has developed a process that saves a profile of each registered customer, giving the company access to prescription histories, registration details and medical information provided to the pharmacist. This service allows customers to...

...facilitating reordering. This online record is a useful tool for patients, especially those with frequent prescriptions or chronic diseases, and is a significant part of Walgreens' attempt to provide complete fulfillment...

1/2,AB,KWIC/4 (Item 2 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103339

HEALTHCARE: 6.10 WALGREENS

Main Title: Best Practice - Online Marketing and Branding

Pub. Date: January 03, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1178 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Despite Walgreens ; Mayo Clinic ;  
Walgreen ; Walgreens

...in-store marketing promotes the web address wherever possible, including purchase receipts, banners and on prescription vials and caps;

\* Walgreens already has a considerable marketing machine that it will employ to...

...and are already shopping for drugstore products using the Web;

\* Walgreens' approach to developing its online pharmacy has been to ensure that all products and services that can be done in a...

...part strategy to develop its website. The first stage was to develop and launch an online pharmacy, including additional services and health information, and this stage has been successfully completed. The second...

...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering. With the experience and expertise gained through the development of the online pharmacy, Walgreens is in a good position to ensure that its full online offering, with drugstore...

...marketing will also promote the web address wherever possible, including purchase receipts, banners and on prescription vials and caps. Walgreens has a widespread physical presence throughout the US. Not only does...

...marketing will also promote the web address wherever possible, including purchase receipts, banners and on prescription vials and caps. Window advertisements for the website may influence anyone that passes the drugstore...

...to advertise the website will be relatively inexpensive when compared to the investment that pureplay online pharmacies will require in order to advertise offline.

Using the existing Walgreen's marketing machine Walgreens already has a considerable...

1/2,AB,KWIC/5 (Item 3 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103303

HEALTHCARE (CONT.): Walgreens

Main Title: Best Practice - Online Business Strategies

Pub. Date: January 02, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1408 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Albertsons ; Anchon ; Casino ; EDI ; Had Walgreens ; K Mart ; Kingfisher ; Mayo Clinic ; Royal Ahold ; Safeway ; Spencer ; Walgreens 's New Business Development ; Worldwide Retail Exchange

...part strategy to develop its website;  
\* The first stage was to develop and launch an online pharmacy , including additional services and health information whilst the second involves the launch of the remaining...

...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering;  
\* Walgreens has used its significant offline presence to...

...part strategy to develop its website. The first stage was to develop and launch an online pharmacy , including additional services and health information, and this stage has been successfully completed. The second...

...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering. With the experience and expertise gained through the development of the online pharmacy , Walgreens is in a good position to ensure that its full online offering, with drugstore...

...major advantage for Walgreens, as it was not one of the first movers in the online pharmacy /drugstore arena. However, Walgreens is unlikely to make the mistakes of other online companies, as...

...These included:

- \* The intercom-plus system;
- \* the system used to connect all pharmacies and transfer prescriptions ;
- \* the systems for billing insurance companies;
- \* the store ordering systems;
- \* systems within the pharmacies that replenish the stock.

These...

...served Walgreens well in the past and were based on an EDI system. However, in order to integrate the Internet site into such a diversity of systems, Walgreens recognized the need...

...Mayo Clinic - aContent partnership

In July 1999, Walgreens announced that it would be the only online pharmacy to feature health information supplied by the Mayo Clinic. While Walgreens is universally known in...

...s credible health-related content, we are establishing Walgreens.com as an industry benchmark for online pharmacy services,' said company President David Bernauer. 'Consumers will have access to a trusted pharmacy name...

...in the press. Walgreens sees this as the teaming up of the best at filling prescriptions with the best at providing healthcare information.  
6.6.1.4 The Worldwide Retail Exchange...

1/2,AB,KWIC/6 (Item 4 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103267

Linking Players, Providers and Patients:MAXIMIZING eHEALTH OPPORTUNITIES:  
4.3 OFFLINE PHARMACIES (CONT.)

Main Title: eHealth Connectivity  
Pub. Date: January 02, 2001  
Source: DATAMONITOR  
Telephone: +44 20 7675 7000  
Word Count: 916 (1 pp.)  
Language: English

Country: WORLD  
Industry: RETAIL  
Company Names (DIALOG Generated): DrugEmporium ; Merck Medco ; Rite Aid

...attempt to develop their own websites instead of acquiring or collaborating with a third party online pharmacy . Under this strategy, traditional distributors generate greater benefits from transferring their existing customer base online than they would by using a third party online pharmacy . PBMs can expand their consumer base to uninsured

customers who are not currently covered by their plans, in addition to offering insured members discounts on prescription products that their health payers do not reimburse. Examples of these types of products include ...

...third party could result in the loss of an opportunity to generate competitive customer databases. Online pharmacies can build up customer databases which track previous purchases and buying habits, in addition to ...

...access to (or have to purchase) this valuable data if they use a third party online pharmacy .

The key disadvantages to this strategy are as follows:  
developing a website takes time-in...

...their websites-no easy task when they will be directly competing with the more established online pharmacies .  
Several US drug store chains and PBMs are opting to develop their own Internet-based...

...WebMD to develop a physician based prescribing service;  
the launch of its own, patient focused prescription drug information service website.

The Merck-Medco/Healtheon/WebMD initiative is centered on developing an Internet-based physician prescription service, which has been co-branded HealtheonRx. With the patient's permission, a physician can review a patient's prescription history and pharmacy eligibility, through HealtheonRx. The Internet-based system then provides a list of...

...that might arise from a therapy being contraindicated with a specific medical condition. Once the prescription is written, it is transmitted either electronically or by fax to the patient's online pharmacy of choice.

Merck-Medco further enhanced its Internet presence in July 1999 by launching an online prescription drug information service aimed at consumers ([www.merck-medco.com](http://www.merck-medco.com)). The new service provides Merck...

#### ...4.3.1.2 Acquiring and forming alliances

Under the 'acquiring and forming alliances' strategy, online pharmacies are targeted for either acquisition or partnership by offline pharmacies. This strategy has some attractive...

...for both parties:

a merger or alliance with an established PBM or pharmacy allows the online pharmacy to avoid the heavy investment required for establishing product warehouses and distribution channels;  
the online pharmacy can benefit from its traditional distribution outlet partner encouraging the transfer of its existing customers...

...the two parties encouraging this customer transfer);  
partnering with an established distribution outlet gives the online pharmacy valuable access to healthcare payer affiliations, making it possible for online consumers to obtain prescriptions by entering their third party reimbursement details;  
acquisition or partnership of an online pharmacy gives the traditional distribution outlets a 'kick start' to their Internet presence (developing their own Internet technology and website may take years);



the online pharmacy partner may have already established a degree of brand awareness, enabling the traditional distribution outlets...

...with their services.

The clear potential disadvantage of an offline distribution outlet partnering with an online pharmacy is that it risks cannibalizing its mail order and retail sales. However, this has not stopped acquiring and forming alliances with online pharmacies from being the most popular strategy for PBMs and traditional offline pharmacies seeking to establish ...

...report.

These alliances have put some pressure on the remaining major industry players (stand-alone online pharmacies, PBMs and offline pharmacies) to seek similar partnerships. The relative merits of the three strategies...

...approach for PBMs and offline pharmacies as the favoured option. Clear synergies exist between the online pharmacies and their offline counterparts, and stand-alone companies will need to act fast to remain...

1/2,AB,KWIC/7 (Item 5 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103266

Linking Players, Providers and Patients:MAXIMIZING eHEALTH OPPORTUNITIES:  
4.2 UTILIZING CONNECTIVITY PROVIDERS AND ONLINE PHARMACIES

Main Title: eHealth Connectivity  
Pub. Date: January 02, 2001  
Source: DATAMONITOR  
Telephone: +44 20 7675 7000  
Word Count: 820 (1 pp.)  
Language: English

Country: WORLD  
Industry: RETAIL  
Company Names (DIALOG Generated): Warner Lambert

Linking Players, Providers and Patients:MAXIMIZING eHEALTH OPPORTUNITIES:  
4.2 UTILIZING CONNECTIVITY PROVIDERS AND ONLINE PHARMACIES

...should be looking to exploit. In particular, strong synergies exist between pharmaceutical companies and connectivity/online pharmacy initiatives in disease management.

Warner-Lambert's sponsorship of the online pharmacy PlanetRx's (www.planetrx.com) disease specific sites is highlighted because the agreement has major...

...these websites (for example, Rezulin on diabetes.com), and patients will be able to fill prescriptions for the drugs through PlanetRx. The disease specific sites include disease management programs that advise...

...exercise regimens. PlanetRx will also provide a facility whereby patients are emailed reminders when their prescriptions are about to run

out.

Initiatives such as Warner-Lambert's agreement with PlanetRx offer...

...1999). The resulting healthcare costs from poor patient compliance are even greater.

However, partnerships between online pharmacies and pharmaceutical companies do raise some ethical considerations. For example, can diabetes.com be trusted...

...carefully to ensure that such Internet-based initiatives maintain credibility.

#### Offline pharmacies

As stated previously, online pharmacies are basing their business models on providing the following benefits over their offline counterparts: greater convenience-online pharmacies offer 24 hour access and next day delivery of their products;

larger product offerings-online pharmacies can stock extensive product ranges in the absence of shelf space limitations;

greater consumer privacy-customers can order therapies from their own homes and interact with pharmacists online, rather than face-to-face with store assistants;

cost savings-online pharmacies pass on distribution cost savings to the consumer.

These benefits appear to provide a compelling business model for the online pharmacies, and the launch of three leading online pharmacies early in 1999 (Drugstore.com, PlanetRx, Soma.com) sent shock waves throughout the traditional offline...

...role in the future drug distribution industry by either acquiring, collaborating or forming their own online pharmacy. The following section details three primary strategies available to offline pharmacies in managing the impact of the Internet on their businesses.

Strategies to manage the impact of online pharmacies  
The following three strategies for traditional brick-and-mortar based pharmacies and PBMs can be...

...wait and see;

build own Internet-based prescribing initiatives;

acquire or form alliances with established online pharmacies and other Internet-based companies.

These strategies are now discussed in greater detail, highlighting the...

...Wait and see

Offline pharmacies and PBMs may choose to delay their entrance into the online pharmacy industry. Under this strategy, companies wait until the leading players have emerged, seeking alliances and...

...advisable for offline pharmacies and PBMs. This is for the following reasons:

all of the online pharmacies are currently racing to establish brand awareness, and thus late entry into the market could...

...the leading offline pharmacies have already either acquired or formed exclusive partnerships with the leading online pharmacies and potential partners in the online pharmacy industry are rapidly running out; offline pharmacies and PBMs hold considerable bargaining power over the...

...the Internet companies), but this may not be the case for much longer, as the online pharmacies are beginning to establish themselves; there could be a rapid shift (although this appears unlikely...

1/2,AB,KWIC/8 (Item 6 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103262

Linking Players, Providers and Patients:MAXIMIZING eHEALTH OPPORTUNITIES:  
4.0 MAXIMIZING eHEALTH OPPORTUNITIES

Main Title: eHealth Connectivity  
Pub. Date: January 02, 2001  
Source: DATAMONITOR  
Telephone: +44 20 7675 7000  
Word Count: 999 (1 pp.)  
Language: English

Country: WORLD  
Industry: RETAIL  
Company Names (DIALOG Generated): First Health Group ; Provident American Corp ; Warner Lambert

...directly by connectivity providers. Particular emphasis has been placed on two leading B2C eCommerce initiatives, online pharmacies and online health insurance

Key findings

Key findings of this section include:

collaborating and forming alliances with healthcare payers will be vital to online pharmacies . Currently, 80% of prescriptions involve a third party co-payment in the US and consumers will not use online pharmacies unless they can obtain prescriptions by entering their insurance details online;

PlanetRx's collaboration with Warner-Lambert has the potential...

...Lambert sponsored Web initiative, diabetes.com, operates compliance and disease management programs;  
online health insurance processing has a number of key advantages over traditional insurance broking. These include ease of multiple...

...opportunities for the emerging content and connectivity providers.

Examples of these B2B opportunities include:

claims processing services;  
Internet-based healthcare process applications;  
clinical trial recruitment;  
physician detailing.

However, some of the evolving B2B eCommerce opportunities are...

...their commercial proposition is provided later in this chapter.

Online health insurance

Online health insurance processing offers the following clear advantages over traditional insurance broking:  
time savings-patients and employers can...

...patients with direct Internet access to their personal insurance information, such as claims status and billing history. Online health insurers are currently focusing on the estimated 16 million US patients and...

...each insurance firm's legacy system, giving customers direct access to their insurance information, including billing status, claim status and fulfillment data. HealthAxis also has a strategic partnership with First Health...

1/2,AB,KWIC/9 (Item 7 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00103236

Linking Players, Providers and Patients:EXECUTIVE SUMMARY AND THE ECOMMERCE  
OPPORTUNITY IN HEALTHCARE: 1.0 EXECUTIVE SUMMARY AND THE  
ECOMMERCE OPPORTUNITY IN HEALTHCARE

Main Title: eHealth Connectivity  
Pub. Date: January 02, 2001  
Source: DATAMONITOR  
Telephone: +44 20 7675 7000  
Word Count: 1009 (1 pp.)  
Language: English

Country: WORLD  
Industry: RETAIL  
Company Names (DIALOG Generated): Warner Lambert ; Web

...theoretically attractive role in healthcare still exists; for the purposes of this report three transaction processing revenue scenarios are generated for connectivity providers to 2003. What is deemed the most likely scenario provides the Internet-based connectivity providers with transaction processing revenues of \$270m in 2003; rapid growth in Internet-based transaction processing will be constrained by a number of factors. Payers and providers will continue to rely...

...collaborate.

Maximizing eHealth opportunities  
collaborating and forming alliances with healthcare payers will be vital to online pharmacies. Currently, 80% of prescriptions involve a third party co-payment in the US and consumers will not use online pharmacies unless they can obtain prescriptions by entering their insurance details online;  
PlanetRx's collaboration with Warner-Lambert has the potential...

...Lambert sponsored Web initiative, diabetes.com, operates compliance and disease management programs;  
online health insurance processing has a number of key advantages over traditional insurance broking. These include ease of multiple...

...to offer consumers interactive services.  
pharmaceutical companies are currently adopting a risk averse approach to online pharmacy, content and connectivity provider affiliations. This is

primarily due to concerns over potential regulatory intervention...  
...pharmacies and PBMs without an Internet presence will need to move fast,  
because most leading online pharmacies have either been acquired or are  
exclusively in alliance with offline counterparts;  
offline pharmacies and...

...traffic for their websites-no easy task when they will be in direct  
competition with online pharmacies which have already generated brand  
awareness;  
payer awareness of the evolving Internet landscape in healthcare...

1/2,AB,KWIC/10 (Item 8 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00102322

#### FINANCIAL SERVICES: 2.24 USER PROFILING

Main Title: BEST PRACTICE - ONLINE MARKETING AND BRANDING

Pub. Date: January 10, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1731 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Advance Telecom ; American Express Air ;  
Corbin Motors ; ISP ; Nat West ; New Business Development ;  
Walgreens

##### 2.24.1.1 Consumer research driving site development

Walgreens started its website development process by examining what  
features and sites were already available online.

'When we first started the process of developing our website, we  
obviously looked at what people had done, what was out...

...not only to members of its existing customer base, but also targeted new  
customers in order to find out how to attract them to Walgreens through  
the new online offering.  
While...

...assessment and development as crucial to remaining competitive within  
this marketplace. However, Walgreens, like other online pharmacies, is  
restricted as to how they can use the data from visitors to the site...

...laws governing data use, but companies go to great lengths to publicize  
this aspect in order to assure customers that information is secure and  
will not be used for any other...

...online traffic and suggests that Walgreens should continue to develop  
its customer feedback centers in order to follow customer opinion closely  
and therefore be able to act immediately to improve services...

##### ...1.2 Personal profiles

However, despite the restrictions on data use, Walgreens has developed a process that saves a profile of each registered customer, giving the company access to prescription histories, registration details and medical information provided to the pharmacist. This service allows customers to...

...facilitating reordering. This online record is a useful tool for patients, especially those with frequent prescriptions or chronic diseases, and is a significant part of Walgreens' attempt to provide complete fulfillment...

...these that the company hopes will drive long-term profitability. The company is in the process of test marketing online utility bill payment, home appliance warranties and ISP services. In November...

1/2,AB,KWIC/11 (Item 9 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00102321

#### FINANCIAL SERVICES: 2.23 PRODUCTS AND SERVICES

Main Title: BEST PRACTICE - ONLINE MARKETING AND BRANDING

Pub. Date: January 10, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1225 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Mayo Clinic ; New Business Development ;  
OTC ; Should Walgreens ; Walgreens

A complete Walgreens pharmacy online

Walgreens' approach to developing its online pharmacy has been to ensure that all products and services that can be done in a...

...end, Walgreens has developed a 'three leg strategy' for the functions on its site:

- \* Product: prescription filling and everything involved in the pharmacy business, including functionality, ease of use, speed of visit, etc.;
- \* services: allowing customers to view their prescription history, to consult a pharmacist, and to set email reminders to have sent to themselves

...

...pharmacies.

Therefore, Walgreens has moved beyond basic pharmacy services to provide features such as viewable prescription histories, personal account details (see below) and a health information library provided by the Mayo

...

...cost will not be affected by buying drugs at cheaper prices. Therefore, the price of prescription drugs on or offline makes no difference to the customer. Indeed, it is illegal for...

...of writing, Walgreens was not willing to comment on the online prices of its non-prescription products, as its online drugstore had not been launched. However, Walgreens pointed out that it...

...consists of three discrete areas defined by tabs at the top of the page: the online pharmacy, the health library, and the corporate information area. The drugstore area is expected to be...

...enthraling sophistication

For companies trying to build an online community and invoke consumer interest in order to create or drive demand for their products, a simplistic structure would be ineffective. A...

...seeking and that a purchase of medicinal product will occur. In the case of a prescription medicine, the choice of product has been made by the consumer's physician; in the...

...the quick and easy site structure that Walgreens has employed is very appropriate for their online pharmacy section. The information area of the website functions in much the same fashion. Although there...guide to health. This reaffirms the quick and easy image of the site.

While other online pharmacy sites and drugstores will attempt to generate sales through higher traffic flow and 'sticky' features...

...become familiar with the site and then make the decisions. While this may work for online pharmacies, which are essentially functional sites, Walgreens may struggle on its drugstore section when it comes...

1/2,AB,KWIC/12 (Item 10 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00102320

#### FINANCIAL SERVICES: 2.22 WALGREENS

Main Title: BEST PRACTICE - ONLINE MARKETING AND BRANDING

Pub. Date: January 10, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1179 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): Despite Walgreens ; Mayo Clinic ;  
Walgreen ; Walgreens

...in-store marketing promotes the web address wherever possible, including purchase receipts, banners and on prescription vials and caps;

\* Walgreens already has a considerable marketing machine that it will employ to...

...and are already shopping for drugstore products using the Web;

\* Walgreens' approach to developing its online pharmacy has been to

ensure that all products and services that can be done in a...

...part strategy to develop its website. The first stage was to develop and launch an online pharmacy , including additional services and health information, and this stage has been successfully completed. The second...

...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering. With the experience and expertise gained through the development of the online pharmacy , Walgreens is in a good position to ensure that its full online offering, with drugstore...

...marketing will also promote the web address wherever possible, including purchase receipts, banners and on prescription vials and caps. Walgreens has a widespread physical presence throughout the US. Not only does...

...marketing will also promote the web address wherever possible, including purchase receipts, banners and on prescription vials and caps. Window advertisements for the website may influence anyone that passes the drugstore...

...to advertise the website will be relatively inexpensive when compared to the investment that pureplay online pharmacies will require in order to advertise offline.

Using the existing Walgreen's marketing machine Walgreens already has a considerable...

1/2,AB,KWIC/13 (Item 11 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
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00102285

HEALTHCARE: 3.10 GEOGRAPHIC COVERAGE

Main Title: BEST PRACTICE - ONLINE BUSINESS STRATEGIES

Pub. Date: January 10, 2001

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1092 (1 pp.)

Language: English

Country: WORLD

Industry: TELECOMMUNICATIONS

Company Names (DIALOG Generated): EDI ; Mayo Clinic ; Walgreens

...the quickest and most beneficial method of entry is to acquire a local player in order to gain the necessary local knowledge and expertise.

Walgreens

Summary

\* Walgreens is currently the largest...

...part strategy to develop its website;

\* The first stage was to develop and launch an online pharmacy , including additional services and health information whilst the second involves the launch of the remaining...



...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering;  
\* Walgreens has used its significant offline presence to...

...part strategy to develop its website. The first stage was to develop and launch an online pharmacy, including additional services and health information, and this stage has been successfully completed. The second...

...strategy has allowed Walgreens to concentrate on a manageable amount of its overall business in order to develop a high quality online offering. With the experience and expertise gained through the development of the online pharmacy, Walgreens is in a good position to ensure that its full online offering, with drugstore...

...major advantage for Walgreens, as it was not one of the first movers in the online pharmacy /drugstore arena. However, Walgreens is unlikely to make the mistakes of other online companies, as...

...These included:

- \* The intercom-plus system;
- \* the system used to connect all pharmacies and transfer prescriptions ;
- \* the systems for billing insurance companies;
- \* the store ordering systems;
- \* systems within the pharmacies that replenish the stock.

These...

...served Walgreens well in the past and were based on an EDI system. However, in order to integrate the Internet site into such a diversity of systems, Walgreens recognized the need...

1/2,AB,KWIC/14 (Item 12 from file: 759)  
DIALOG(R)File 759:Reuters Business Insight  
(c) 2001 Datamonitor. All rts. reserv.

00101997

Brand Strategies in the Multichannel Environment:CASE STUDIES: 8.1 THE  
BUSINESS

Main Title: eBrand

Pub. Date: December 19, 2000

Source: DATAMONITOR

Telephone: +44 20 7675 7000

Word Count: 1353 (1 pp.)

Language: English

Country: WORLD

Industry: RETAIL

Company Names (DIALOG Generated): Intranet ; Microsoft ; Numark Ltd ; OTC ;  
RealNames Corporation ; Royal Pharmaceutical Society of Great  
Britain ; Scape ; Sony ; Unicode ; UK Department of Health ;  
White Paper

Allcures.com is the first British website to dispense prescription drugs and sell OTC medicines. Customers send their prescriptions to Allcures.com's freepost address, and email the site to confirm it has been

sent. This email will receive an acknowledgment. As soon as Allcures receives prescriptions they will be dispensed, providing the company has stocks of the required medicine. Furthermore, Allcures guarantees that all medicines will be delivered within four days of receiving the prescription

Customers with acute conditions, for example epilepsy, or anything requiring antibiotics or pain killers, are...

...customers that they should have 10 days' stock of their medicine available before sending their prescription, in case there are any delays in sourcing or distribution.

Anyone who receives free prescriptions signs them in the usual way on the back and then sends proof of their exemption with the prescription in the post. This reflects new legislation that also requires proof of exemption in traditional pharmacies. Once proof has been sent, it is not required for any further prescriptions. Delivery is also free for these prescriptions (which represent around 80% of all prescriptions issued in the UK). All prescriptions are dispensed and posted free of charge. In the same way as the traditional pharmacy, the cost of fulfilling free prescriptions will be offset by purchase of over the counter medicines and all the other product...

...medical details.

Relevant Legislation

Allcures.com meets all current legislative requirements regarding the sale of prescription and over the counter medicines. The Royal Pharmaceutical Society of Great Britain is aware of...

...Internet at work, Allcures foresees a time when scripts will be emailed direct to an online pharmacy and the drugs dispatched straight to the patient. This is an inevitable development of Internet use and is already a major feature of online pharmacy practice in the US. In the US, Allscripts has launched ePrescriptions, a hand-held wireless device that allows doctors to deliver your prescription straight to the pharmacists' computer.

Numark Ltd has launched an Intranet network exclusively for its...

...which it could reduce the effort involved in keeping abreast with stocking issues, promotions and order processing. (Pharmaceutical Journal Vol. 263 No 7067 p629 October 16, 1999)

British consumers are losing out on the full benefits of 24-hour online pharmacies because of outdated and restrictive regulations according to cScape, the strategic services company behind Allcures. In the US the age of the paperless prescription is well under way with GPs emailing prescriptions directly to online pharmacies. The move towards paperless prescriptions has been backed by the UK Department of Health, keen to promote the Prime Minister...

...and type in a lengthy URL, for example

<http://www.thiscompany.com/documentname.html> in order to access a specific Web resource. While this may be acceptable to early adopters and ...

00154240

Industry Conditions: Technology and Systems

Main Title: Pharmaceutical, Cosmetic and Toiletry Retailing in Australia  
(AUSTRALIA)

Pub. Date: June 2001

Source: IBISWorld

Telephone: 61-3-9650-2166

Word Count: 761 (1 pp.)

Language: English

Country: AUSTRALIA

Industry: PHARMACEUTICALS, PERSONAL CARE, RETAIL

Company Names (DIALOG Generated): Bank West ; Body Shop ; Coles Myer ;  
Crabtree & Evelyn ; F H Faulding ; Guild Bank ; Health  
Insurance Commission ; Healthlinks ; Jupiter ; Medweb Limited ;  
Pharmacy Guild of Australia ; Body Shop

...dispensing  
systems which allow the pharmacist to keep records of a client's  
conditions, allergies, prescription history, concessional status,  
the doctor who prescribed the drug and the amount owing to the...

...in 100 pharmacies. The computer-based system is designed to  
provide the latest information on prescription and over-the-counter  
drugs, keep databases of customers' medication records and allow  
electronic lodgement, assessment and payment of prescriptions . The  
trial is funded by the Government, the Health Insurance Commission  
(HIC) and the Pharmacy...

...to evaluate the establishment  
of an internet pharmacy business. Customers would be able to  
choose, order and pay for products from their local pharmacy via  
the internet, then collect them from...

...Priceline,  
Jurlique, The Body Shop, Crabtree & Evelyn etc. Of greater  
significance is the development of online pharmacies , such as  
epharmacy.com.au and pharmacyonline.com.au, which sell a wide range  
of...

...and personal care products, as well as medical  
aids and general medicines. They also dispense prescription  
medicines. There also exists a number of websites retailing health  
and beauty products such as...

...in delivering in-store  
banking services and the Guild remains committed to the idea.  
- Mail order pharmacy is another development of recent years. A  
controversial issue, mail-order pharmacy has been banned in all but  
two countries of the European Union. It is...

...Australia; for example in November 1999 the National Party  
passed a motion to oppose mail order pharmacies. Pharmacy Direct is  
thought to be Australia's first mail order pharmacy.

...

1/2,AB,KWIC/16 (Item 2 from file: 753)  
DIALOG(R)File 753:IBISWorld Market Research  
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00154080

Industry Conditions: Technology and Systems

Main Title: Pharmaceutical and Toiletry Wholesaling in Australia  
(AUSTRALIA)

Pub. Date: June 2001

Source: IBISWorld

Telephone: 61-3-9650-2166

Word Count: 774 (1 pp.)

Language: English

Country: AUSTRALIA

Industry: PHARMACEUTICALS, WHOLESALE, PERSONAL CARE

Company Names (DIALOG Generated): Forrester Research ; Jupiter ; OTC ;  
Pharmaceutical Electronic Commerce and Communication

...various online

stores such as the likes of Drugstore.com (February 1999) which  
offers both prescription drugs and over 16,000 OTC health and  
beauty items to US customers (approximately 700...

...increase significantly

in the future. Recent events have included the development of a  
number of online pharmacies within Australia, including the likes  
of epharmacy.com.au and pharmacyonline.com.au, which sell...

...and personal care products, as well as  
medical aids and general medicines. They also dispense prescription  
medicines. There also exists a number of websites retailing health  
and beauty products such as...

...to embrace such IT developments, may not  
necessarily be adversely affected by such trends.

- Mail order pharmacy is another development of recent years. A  
controversial issue, mail-order pharmacy has been banned in all but  
two countries of the European Union. It is...

...Australia; for example in November 1999 the National Party  
passed a motion to oppose mail order pharmacies. Pharmacy Direct is  
thought to be Australia's first mail order pharmacy.

- There have also been significant technological developments in  
the wholesaling industry in general, including...

?t 1/9/1-2

1/9/1 (Item 1 from file: 768)  
DIALOG(R)File 768:EIU Market Research  
(c) 2001 EIU. All rts. reserv.

00042425

PROFILE: AN UPHILL STRUGGLE FOR MANAGED CARE IN EUROPE (2 OF 5)

Main Title: HEALT CARE EUROPE 3RD QTR 1999  
Pub. Date: AUGUST 1999  
Source: THE ECONOMIST INTELLIGENCE UNIT LIMITED  
Telephone: (212) 554-0600  
Word Count: 836 (1 pp.)  
Language: English

Slow-going in mail order and PBM

The delivery of prescription medicines by post is a cornerstone of US managed care, where it accounts for a sizeable chunk of pharmaceutical sales, worth some \$11.2bn in 1998, up by 19% compared with 1997. Leading US drug companies have become increasingly reliant on mail order to distribute their medicines. In 1998 Bristol-Myers Squibb saw mail-order sales of its products hit \$621m, up by 22% on the previous year. On the other side of the Atlantic however, the market is virtually non-existent. Efforts to launch mail-order pharmacies have come to little-

Just four years ago there were efforts to launch mail-order pharmacies in almost every European country as entrepreneurs saw the chance to make a profit by bypassing the conventional distribution channels. Certainly the pharmaceutical industry was ready to change the way it had traditionally delivered its medicines.

Not until the now-infamous closure of Caremark in 1998, which pioneered the service in the Netherlands, ("Regulation-mail-order pharmacy in the Netherlands", Healthcare international), 4th quarter 1998. did people accept that mail order was simply not going to happen in Europe. The only success stories have been a small-scale service in Switzerland and public services in remote areas of northern Scandinavia.

-as volumes of business have proved insufficient

A mail-order system could only make significant inroads if the volume of prescriptions is sufficient. It has not been. Opposition from pharmacists has been intense, not surprisingly as over 80% of all prescription medicines in the seven major European markets pass through community pharmacies; the remainder is mainly sold via the doctor. The reasons why Europeans have not been as enthusiastic as their US counterparts include the following.

- \* Loyalty to the local pharmacy.
- \* Little economic benefit in receiving medicines by post. Most Europeans make a standard co-payment, whereas Americans tend to pay out of pocket.
- \* Distances are small. In the US there is one pharmacy per 144 sq km, compared with one per 21 sq km in Europe.
- \* Remote areas such as northern Norway are already serviced with mail delivery by government-approved schemes.

Although European law has been ambivalent, with little to prevent or encourage mail order, the regulatory regimes of most countries have not favoured it (see Table 4.2). Germany banned outright the use of the postal service for pharmacy-only medicines after lobbying by the pharmacist's

association BAK.

The future may lie in e-pharmacy

Ironically, entrepreneurs, after failing to establish mail order a few years ago, are back with a new approach, the Internet. As the public is increasingly aware, it is easy to buy medicines-Viagra being one of the most publicised examples-from numerous sites on the world wide web. In the US online pharmacies are booming. Europe is just beginning to see the emergence of e-pharmacies-there are plans to establish them in duty free areas of Britain's airports, for example. With the high-profile launch of Internet traders such as Amazon (books) and Egg (financial services), it can only be a matter of time before computer-literate patients start to bypass the pharmacy and order their medicines down the telephone wire, whether the practice is legal or not. Technological barriers no longer stand in the way; rather it is cultural and legal issues. Europe will have to wait until regulators, particularly those at EU level, catch up with the fast-paced world of cyber-healthcare.

In the US, mail order goes hand-in-glove with pharmacy benefit management (PBM)-third-party administration (TPA) of pharmacy stocks. In 1995 some 50 PBMs controlled nearly half of the US TPA pharmacy market, the majority of pharma sales, with their market share expected to reach 80% by 2000.

Despite the fact that controlling the cost of medicines is a high priority for cash-strapped governments, the future of managed care pharmacy in Europe is questionable. The failure of Caremark to establish itself in the Netherlands has not led to confidence in this dynamic US business. Opposition from pharmacists and distributors and legislative cost-containment measures make it extremely difficult for PBMs to get a foothold in Europe (see Table 4.3).

PBMs see opportunities in eastern Europe

Despite the barriers, several PBMs have explored the possibilities of managing pharmacies in Europe. In early 1999 PCS, one of the US's largest PBMs, with 56m members, was in exploratory talks with firms in France, Germany and Poland. According to Michael Johnson, assistant vice-president for international business development, most discussions have been started by European companies or sickness funds interested in applying PCS's methods and systems. Eastern Europe may offer the greatest opportunities for commercial PBMs, because distribution costs are high and local drug costs are low compared with brand-name pharmaceuticals. Missouri-based Express Scripts, which recently bought Diversified Pharmaceutical Services, a PBM, from SmithKline Beecham for \$700m, has admitted that it is looking for international opportunities. Jean Joubert, head of business development for Express Scripts, has initiated discussions in eastern Europe.

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DRUGS, PATIENTS/INTERNET: RX GOES TO CYBERSPACE

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Healthcare international presents three case studies of how medical information and services are being made more accessible to the public.

The Internet has revolutionised sales of books and computers, and airline ticketing. Now the entrepreneurs of the World Wide Web are turning their attention to pharmacies, promising to transform the way drugs are sold in the US.

Online pharmacies such as Soma.com, planetRx and, most recently, Drugstore.com are jockeying for a position in the \$150bn prescription and over-the-counter drug and sundries market. Run by managers that are seasoned in exploiting the Internet for retail purposes, the nimble online stores are betting that they can each make a fortune by garnering just a tiny fraction of the market. Analysts warn, however, that the risks are high and the rewards not guaranteed. Established drugstores launching their own pharmacies on the Internet are likely to prove dangerous competitors.

Drugstore.com, which opened for business in February 1999, is emblematic of these rugged new retailers. The brainchild of former Microsoft vice-president Peter Neupert, the website now carries 17,000 non-prescription drugs and 3,000 prescription drugs, in addition to sundries such as toothpaste, shaving cream and lipstick. The site also provides customers with articles and reference materials, ostensibly to offer advice on medical and drug issues, although also to act as marketing tools. With some similarity to a mail-order pharmacy, Drugstore is capable of filling prescriptions by fax or by direct communication with the patient's doctor, and can turn a prescription round within three to five days. While that leaves out emergency prescriptions, the service is an option for the two-thirds of prescriptions that are for chronic ailments and refills. Drugstore's major advantage is its connection to Web pioneer Amazon.com, the virtual bookstore, which holds 40% in the Internet pharmacy. Amazon's marketing team has been closely involved with Drugstore's managers, sharing with them the secrets of successful marketing on the Internet. Amazon's experience in deal-making should also help Drugstore to develop deals in the future.

As with other online retailers, the primary advantage that Web-based drugstores have over counterparts in the real, physical world is reduced operating costs. Instead of being forced to go through the expensive, time-honoured procedure of opening and supporting a network of stores that

are often in prime locations and of high rateable value, online retailers can function from a single warehouse situated in the cheapest and most unspectacular of commercial districts. Links through manufacturers' own warehouses afford opportunities to shrink overheads even more. The result should be higher margins for the operators and perhaps lower prices for customers.

Another compelling reason for the online drugstores to believe that they have a chance of trading successfully, argues Mr Neupert, is the tendency among consumers not to enjoy shopping in pharmacies. Unlike books or music, he says, drugs are bought for intimate, personal reasons of health or appearance. By patronising Drugstore.com, customers can purchase contraceptives and hygiene products in the privacy of their own homes, free from any fear that they might be embarrassed by peers or sales staff. Drugstore hopes that in the process of saving themselves from feeling embarrassed at the nature of their purchases, customers will take the opportunity to add a few extra items, such as shaving foam or hair spray, to their electronic shopping carts.

In anticipation of prescription sales that are set to grow only slowly, Drugstore is counting on making money with high-margin sundries. However, although over-the-counter products have accounted for most of Drugstore's sales, the volume of prescription drugs has turned out to be considerably higher than the organisation originally expected, according to Mr Neupert. The real pots of gold are the customers who require regular refills for chronic ailments. Mr Neupert insists that Drugstore's ability to resupply customers with the right drugs at the right time is a unique competitive edge that real-world pharmacies may not be able to match easily.

To command lower wholesale drug prices while ensuring a continued ability to supply orders, Drugstore has gone into partnership with a mail-order pharmacy, RxAmerica, which handles more than 25,000 weekly orders. Despite making considerable in-house efforts to refine and improve activities, Drugstore.com, like all online pharmacies, is counting on the growth of the Internet to supply the biggest boost. Observers predict that business will indeed flourish. Forrester Research, an analyst of the high-technology scene, expects Internet sales of cosmetics and drugs to grow from \$213m in 1998 to \$6bn in 2002. Forrester specialists predict that online pharmacies could gain over 5% of the global retail drug market.

These predictions notwithstanding, one of the biggest hurdles that all online pharmacies face is the need to develop relationships with health insurance providers, who together pay for 80% of the medications sold in the US. The established dealings that chain drugstores have with insurers can only serve to hinder the virtual bodies in their drive to create the same links.

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Country: WORLD

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